

January 28, 2004

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington DC 20551

RE: Docket Nos. R-1167, R-1168, R-1169 & R-1171

Dear Ms. Johnson:

Thank you for the opportunity to comment on the proposed changes to Regulation B, E, Z and DD. In total our holding company has over \$375 million in assets, approximately \$350 million is devoted to Voyager Bank and the rest to Voyager Mortgage. We have five offices between the two entities. All but one is located in the metro areas of Minneapolis and St. Paul. A majority of our customer base is commercial, but we do have a fair amount of consumer clients.

While we appreciate the agency's attempt at making these regulations consistent with others and to provide more noticeable and understandable information to the consumer, we have to argue that this proposal would not simplify the disclosure process, especially with an already confusing regulation such as Regulation Z. The current requirement for Regulation Z that the disclosure be noticeable is adequate. To add further requirements that it also be "reasonably understandable" is too broad of a definition that would be subject to too many different interpretations.

In an attempt to provide a disclosure that is "reasonably understandable" by re-wording language, widening margins, providing bullet point etc, the disclosures would become more cumbersome. This may be less helpful to consumers as they will be more unlikely to review them. It will also add an additional cost burden on to financial institutions. Banks would have to bear the time and monetary costs of redrafting and reproducing the disclosures, printing costs for additional copies and staff training expenses.

There would not be a way to make the disclosures consistent like they are for Regulation P. One generic disclosure oftentimes does not work in every scenario. This could pose a potential problem of giving the wrong disclosure, thus opening the bank up to liabilities and penalties.

Last, the Board has not identified a problem with the existing regulations and disclosures to justify the compliance burden and potential liability that these proposals outline. The proposed requirements are too broad. We appreciate the need to have a well-informed consumer, but the lengthier the disclosures are, the less effective they become. It's difficult enough just to get consumers to balance their checkbook, let alone read through several pages of disclosures.

We recommend there be no changes to the current disclosure requirements under these regulations. Thank you again for the opportunity to comment.

Sincerely,

Melissa Swenson
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cc: Nessa Feddis, American Banker's Association
Tess Rice, Minnesota Banker's Association